GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3828
ANSWERED ON:30.04.2007
REMOVAL OF BRAND NAMES OF DRUGS
Barman Shri Hiten

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government is considering any proposal to remove the brand names of the drugs and marketing the drugs by their generic names so that the high prevailing prices of the drugs can be bought down;

(b) if so, the details thereof;

(c) the maximum percentage difference in the prices of drugs being sold at brand name and in generic form; and

(d) the details of control mechanism of permitting the maximum difference in the cost price and selling price of the drugs?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) & (b): In the draft National Pharmaceutical Policy, 2006 it has been proposed, inter alia, that one of the ways to make available cheaper drugs to people at large and to public health system could be to promote the production and marketing of generic drugs in the country. This may be achieved through preference of generic drugs for public procurement and distribution and free of cost quality certification for generic drugs.
This Policy was submitted before the Cabinet for its approval. The Cabinet considered the proposal in its meeting held on 11-1-2007 and has referred the matter to a Group of Ministers (GOM). A GOM has since been constituted. The first meeting of the GOM was held on 10-4-2007. No time frame can be given for finalization of the pharma policy.

(c) & (d): The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed / revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with formula given in Para 7 of the DPCO, 95.
Under Para 8 of the DPCO 1995, Government/NPPA is empowered to fix from time to time, retail prices of Scheduled formulations in respect of individual manufacturers. Under Para 9 of DPCO 1995, the Government is empowered to fix from time to time ceiling prices of Scheduled formulations and such ceiling prices will be applicable to all such packs including those sold under generic name and for every manufacturer of such formulations.
At present Maximum Allowable Post Manufacturing Expenses (MAPE) is allowed @ of 100% on ex-factory price in respect of indigenously manufactured Scheduled formulations and not exceeding 50% of the landed cost for imported Scheduled formulations.
Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

F. No. 1/15/2007-PI.I GOVERNMENT OF INDIA MINISTRY OF CHEMICALS AND FERTILIZERS DEPARTMENT OF CHEMICALS AND PETROCHEMICALS (PI-1 Desk) â€¦â€¦â€¦â€¦

Subject: Lok Sabha Unstarred Question No.3298 for answer on 30.4.2007 regarding Removal of brand names of drugs. â€¦â€¦â€¦â€¦

This relates to Lok Sabha unstarred Q. No. 3298 for answer on 30.4.2007 regarding removal of brand names of drugs asked by SHRI HITEN BARMAN. The Question seeks information as to whether the Government is considering any proposal to remove the brand names of the drugs and marketing the drugs by their generic names so that the high prevailing prices of the drugs can be bought down, if so, the details thereof, the maximum percentage difference in the prices of drugs being sold at brand name and in generic form, and the details of control mechanism of permitting the maximum difference in the cost price and selling price of the drugs.

Copy of Parliament Question answered earlier on the subject is placed at pages 7-8/cor. Information received from the NPPA is placed at pages 2-6/c.

Based on available information a draft reply to parts (a) to (d) of the question has been attempted and submitted for kind consideration / approval of Hon'ble Minister (C&F&PA).

(J.S. SIDHU) Under Secretary (PI) 26-4-2007